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Jim:

Could you make sure
this gets to WH for the
Council to the President +
to Don Gregg.

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ABC reports Contra-drug connection

WASHINGTON (UPI) — The following is a transcript of a report on ABC News Thursday on an alleged scheme to provide military equipment to the Nicaraguan Contra rebels and bring illegal drugs back into the United States on return trips.

— Peter Jennings: We have been reporting for many months now on the ins and outs of the Iran-Contra affair — selling arms to Iran and using the profits to buy guns for the Nicaraguan Contras. We can now report that long before that operation began, there was another operation to provide guns for the Contras, which was also against the law. In this operation Americans and Israelis provided arms to the Contras, and in the same network smuggled drugs into the United States. Here's our chief correspondent Richard Threlkeld.

Threlkeld: For three years, from 1983 to 1986, the Contras fought the Marxist government of Nicaragua with weapons made in the communist bloc, bought by Israeli agents with American financial support and delivered by an U.S.-Israeli airlift, which wound up incredibly enough delivering illegal drugs to the United States. That's the astonishing story told to ABC News by American, Israeli and Panamanian sources some of whom insist on remaining anonymous, including this American we'll call Harry who helped purchase the arms and deliver them:

Harry: "I guess you'd have to say at that time I felt my primary employer was Israel. Secondarily, my employer was the United States of America."

Threlkeld: The operation was launched in Spring of 1983 at Washington's request with at least \$23 million of Israeli government money, later reimbursed we're told from U.S. covert operation funds. The Israelis purchased the weapons from Poland and Czechoslovakia and began shipping them secretly from Yugoslavia to Bolivia and then to Panama.

The Israeli liason man there (was) this man, Michael Harrari, until recently a close aide to Panama's strongman, Gen. Manuel Noriega. Israel was already selling arms to Central America. What better middleman for Washington to use to arm the Contras.

Benjamin Beit-Hallahmi: "I don't think Israel will get involved in these kinds of things without the very clear understanding with the Reagan administration."

Threlkeld: Although the Israeli government today denied that it has ever supplied arms to the Contras, nonetheless our investigation shows the supply network did exist, a makeshift air cargo network also experienced in running illegal drugs.

From Panama, our sources say, the weapons were shipped in cargo planes — old DC 6s and C 123s like these — flying from a extensive network of Panamanian airfields, including this one, to supply points for the Contras in Costa Rica and El Salvador.

And what was the American connection in all of this? Our sources

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tell us it included the late William Casey's CIA, and this man, Felix Rodriguez, a former CIA agent and counterinsurgency expert acting and aiding the Contras.

Although Rodriguez denies it, Jose Blandon, Noriega's former intelligence aide, confirms there was such a network, and says Rodriguez was, in fact, a key figure.

Blandon: "There was a man who worked in El Salvador who was named Felix Rodriguez, who was in charge of all the operations and who supplied the arms to the Contras."

Threlkeld: But ABC News has learned, that arming the Contras was only the half of it. After dropping of their weapons, the planes and contract pilots on this makeshift Israeli American airlift went back to business as usual, smuggling illegal Colombian cocaine across the U.S. boarder. If U.S. officials who'd sponsored this airlift knew it was drug dealing, they did nothing to stop those cargo planes.

Blandon: "They usually use these also to get drugs to the United States."

Harry: "You'd bring the ship into Colombia, you would load drugs aboard it and you would bring those drugs back to Panama with you."

Threlkeld: From Panama and Colombia the planes flew north to the U.S. loaded with illegal drugs.

Harry flew one of these drug deliveries himself, to one of these secluded airstrips near Amarillo, Texas - a mission he'd just as soon forget.

Harry: "And that's what you were hired to do, but bringing that stuff into the United States, that was something else. I've never been so thoroughly disgusted with myself in my life."

Threlkeld: It was one of his last flights. By spring of 1986, this operation was winding down, replaced by another secret Contra supply network directed by other men.

But the questions remain. If those in Washington and Tel Aviv did know about those drug shipments, why didn't they just say no? Was the drug money from those shipments used, to buy more weapons for the Contras. How was it that in three years, a network Washington set up to run arms to the Contras wound up running cocaine into this country for the most vicious drug cartel in the world, at the same time we were supposed to be fighting a war against drugs? A Senate sub-committee is currently investigating to find some answers.

Richard Threlkeld, ABC News, Washington.

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